

from the interest felt by business men in securing a change of law. The estimated gold stock, which was only \$597,-927,254 at the close of 1895, reached \$1,419,943,124 at the close of 1905, and the amount of gold in the Treasury increased during the same period from \$113,198,707 to \$765,-775,099. This was held largely against gold certificates in circulation, which increased from \$50,099,889 on December 31, 1895, to \$527,493,869 on December 31, 1905, and subsequently to \$767,005,869 on December 31, 1907. Pressure continued to be felt every autumn in the movement of the crops, but was relieved for several years by measures of somewhat doubtful legality or policy adopted by Mr. Shaw, who was Secretary of the Treasury from 1902 to March, 1907. Among the measures which had frequently been resorted to on previous occasions was the deposit of public money in national banks. Mr. Shaw increased the number of such depositories from 468 on February 1, 1902, to 106 on November 1, 1906, and increased deposits during the same period from \$106,629,952 to \$148,975,346.<sup>1</sup>

The novel features of Secretary Shaw's policies were the acceptance of bonds other than United States bonds as security for deposits of public money ; exemption of the banks from maintaining against public money the legal reserves required against other deposits; the transfer to the banks of public money which had already been received into the Treasury ; deposits of public money with banks in anticipation of gold imports ; and frequent modifications of his rulings so as to modify the volume of bank circulation and of public deposits as he deemed best. Several of these measures, especially the first and second, were severely criticised upon legal grounds, and the Secretary himself justified them upon the ground that in 1902, " but for what was then done, a

<sup>1</sup> Finance Report, 1906, 36. The number of such depositories was further increased by Secretary Cortelyou in 1907 to 1421, but this was under a mandate of the act of March. 4, 1907, "That the Secretary of the Treasury shall distribute the deposits herein provided for, as far as practicable, equitably between the different States and sections."\*